



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

CHAPTER:

SUBSIDIZED HOUSING

REVISION DATE: 07/14/2015

Page 1 of 2

7.10 SUBSIDIZED HOUSING

An income approach shall be used to value property with rent limitations or other requirements or restrictions set by the federal or state government. The properties include:

1. Income tax credit properties under Section 42 of the Internal Revenue Code;
2. Properties constructed under HUD programs;
3. Properties constructed with US Department of Ag Rural Development incentives;
and
4. Other state or federal subsidies for housing programs.

Income Approach for Subsidized Housing Properties:

Actual income of the property minus actual expenses = Net operating income (NOI)

NOI divided by "appropriate capitalization rate" = Indication of Value

Appropriate capitalization rate is not to exceed the average of the current market data available in the county of said parcel of property.



**STATE TAX COMMISSION OF MISSOURI
ASSESSOR MANUAL**

CHAPTER:

SUBSIDIZED HOUSING

REVISION DATE: 07/14/2015

Page 2 of 2

Subsidized Housing Worksheet

	2012	2013	2014
Potential Income Last 3 years			
Rental Income			
# units x monthly rent			
# units x monthly rent			
Rental Subsidy			
Laundry/Vending/Other			
Potential Gross Income			
Less: Actual Vacancy & Collection			
Effective Gross Income *			
Expenses			
Maintenance & Repair			
Utilities			
Administrative			
Insurance			
Reserve for Replacement			
Total Expenses			
Net Operating Income			
Capitalization			
Average Market Rate			
Effective Tax Rate			
Overall Capitalization Rate *			
Indication of Value			

Enter each years information in the gray cells for form to auto-calculate.

*** Requires data entered in prior rows to be greater than zero.**